



## WYOMING LEGISLATIVE SERVICE OFFICE

# EDUCATION UPDATE

*The Legislative Education Update is produced by the Wyoming Legislative Service Office (LSO) and provides a short synopsis of K-12 education legislation considered and enacted by the 2005 Wyoming Legislature. During the interim period between legislative sessions, the Update provides a brief summary of legislative interim activities pertaining to K-12 education issues as well as a calendar of scheduled interim committee activities. Please note the school finance model recalibration activities occurring during the 2005 interim will be announced and summarized in future Updates. Copies of enacted legislation can be found on the legislative website by clicking on the 2005 General Session Bill Information link: <http://legisweb.state.wy.us/>. For more information about legislative education issues, contact Dave Nelson at the LSO at 307-777-7881.*

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### 2005 SCHOOL FINANCE

The 2005 Legislature provided school districts \$66.5 million dollars in operational funding outside the block grant model for school year 2005-2006, which includes continuation of funding for full-day kindergarten programs and summer school programs at levels enacted by the 2004 Legislature (\$6.2 million and \$4.5 million, respectively).

Of this amount, the Legislature provided \$33.3 million for covering expenses associated with district employee health insurance to be distributed outside the model. The Legislature expressed intent to address health insurance costs within the scope of 2005 model recalibration efforts, and funded a study to investigate the feasibility of including school districts within the state employees' and officials' group health insurance program.

The Legislature provided \$22.7 million for school district employee bonus payments to enhance recruiting and retention efforts. The additional funding is one-time funding outside the block grant model applicable to school year 2005-2006, and is to be applied to all district professional, certified and classified employees.

Funding for school operations under the education resource block grant model was increased by \$13.4 million through a 2.3% external cost adjustment.

**Additional Programs Funded** A series of appropriations to the Department of Education addressing teacher incentive programs was provided by the Legislature, including piloting of teacher advancement and alternative professional development programs, continuation of the Wyoming teacher policy institute, enhancing available funding for teacher participation in national certification and expansion of the Wyoming teacher of the year program.

\$400,000 was provided to school districts to assist with recruiting teachers in special education, math, science and in multiple or unique endorsement requirements. Assistance is available upon application to the Department of Education and is restricted to compensation enhancement for school year 2005-2006 recruitment in specified subject areas. An additional \$400,000 is provided for a teacher loan repayment program providing loans to students enrolled in education programs at the University of Wyoming leading to certification in special education, math and science.

Funding was provided for continuation of the student performance data system pilot projects established under 2003 legislation to be implemented by the standards and body of evidence tracking (SBET) advisory group. The effort is critical to support technical requirements of district body of evidence assessment systems to determine levels of student performance and to comply with state graduation requirements.

**Model Recalibration** Under law, the Legislature is required to recalibrate the education resource block grant school funding model every five years. Recalibration ensures model components remain valid, cost-based and relevant for the times.

The recalibration process was set in motion prior to the 2005 general session. Following validation of the statewide education program by the State Board of Education, the Management Council and the Joint Education Committee developed a request for proposal to acquire recalibration expertise, which was submitted nationally. A committee comprised of legislative leadership reviewed submitted proposals, interviewed respondents and selected a candidate. Recalibration funding was approved by the 2005 Legislature, a

contract has been awarded and a Select Committee has been established for this purpose. The effort commences Spring 2005. The Education Update will provide continuous updated recalibration information and event schedules for recalibration activities.

The Legislature provided additional funding to the Department of Education to enhance personnel and acquire contractual assistance for improvement of the quality and availability of school data necessary for model recalibration.

As part of school data improvement efforts, March 31 of each school year was established as the closure date for adjustment of school district fiscal information for school foundation program computation purposes.

**Foundation Account** Federal mineral revenues dedicated to the school foundation program account were diverted by the Legislature to higher education endowment programs at the University of Wyoming and Wyoming community colleges and to a student

scholarship endowment program. However, the school foundation program account is guaranteed a minimum level of operating funds. Diversion of funds from the account is limited to the extent that the unobligated, unencumbered foundation account balance as of July 1 of each year is not less than \$100 million.

A committee comprised of education, business, public and legislative representation is tasked with the development of legislative recommendations establishing a merit-based student scholarship program for consideration by the 2006 Legislature, which is funded from the scholarship endowment program established through the diverted foundation account mineral royalty revenues.

**Bills and Estimates** Enacted legislation adopted by the 2005 Legislature and resulting estimates of district foundation program guarantee payments are available on the School Finance Information link at the Legislative website.

## 2005 SCHOOL CAPCON

The major maintenance program was modified by the 2005 Legislature:

SF0029 moves annual major maintenance payment dates up from the biannual September and March dates to July 1, providing maintenance funds to districts at the beginning of each school year;

SF0087 authorizes districts to expend up to 10% of annual major maintenance payments on facility enhancements, provided maintenance needs of the district's standard facilities are fulfilled in accordance with its facility plan;

HB0269 allows districts to include within expenditures from amounts available through major maintenance payments, the expenses of district personnel performing major maintenance work if approved by the School Facilities Commission and if documented in its facilities plan.

Legislation was also enacted which requires the School Facilities Commission to review district land sales within the scope of the district's facilities plan. The Commission may disapprove a district land sale if the sale adversely impacts the cost-effectiveness of its facilities plan. Additionally, the Legislature, through the budget bill (SF0001), realigned major maintenance

appropriations to more closely reflect district payment levels, added funds for capital construction grants for new projects initiated during the remainder of the budget biennium and provided repayment to the budget reserve account (amounts previously taken from this account to fund biennial capital construction projects) and to the legislative stabilization reserve account. Repayment is capped at \$272 million and is to be made from coal lease bonus payments occurring after June 14, 2004. Repayment is conditioned upon maintaining an unencumbered balance of \$25 million within the capital construction account.

**Community Facilities** SF0071 establishes a program assisting local governments with community facility projects including the expansion, renovation or conversion of school facilities to the extent the facilities exceed statewide school facility adequacy standards established by the School Facilities Commission. The program is to be administered by the Wyoming Business Council and program loans, grants or other cooperative agreements under the program are referred to the State Loan and Investment Board for final approval. Initial program funding ranges from \$5 to \$10 million, depending upon the final version approved by the Legislature. NOTE: At the time of publication, the proposal is in conference committee.